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# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

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A sharp cut in hatchings of replacement chicks will keep egg production below 1959 levels through the rest of 1960.

Hatchings through April were a third below last year. Although 7% more eggs were in incubators May 1, the main months of the hatching season for egg-type chicks have passed. Number of chickens raised in 1960 is likely to be at least a fifth below 1959 and the smallest since records began in 1909.

National laying flock on May 1 was 3% below same date of 1959. Percentage difference will widen as year progresses.

Egg production so far has run 4% below same months last year. It is likely to remain under 1959 each month the rest of 1960. Supply per person is likely to fall to about 325 eggs...it was 347 in 1959.

Outlook for prices is considerably brighter than last year when they dipped to lowest levels since the early 1940's. Prices to farmers spurted above a year earlier in late March, boosted by lower production and bad weather. Mid-April average was 27% above last year...prices probably will stay above last year's levels by about this percentage through 1960.

TURKEYS. A crop as large as intended early in 1960 now seems doubtful. Poult hatchings in the first quarter were 29% above last year, but dipped below 1959 as the main hatching season got under way. Farmers' intentions to raise 6% more than last year probably will not be realized.

Substantial reduction in number of turkey breeder hens is main reason for cutback in poult hatch. Recent softening in prices also may have contributed.

BROILERS. Settings of eggs in incubators climbed above a year earlier in the second week of April. The 6% increase was followed by gains of 10%, 12% and 13% in the following 3 weeks. Demand will be seasonally strong this summer, and prices probably will hold above a year earlier if settings do not increase further.

HOGS. Further seasonal price advances to a summer high are in prospect. Increase from last December's low has carried prices up about $4. By mid-year, marketings will be considerably below a year earlier...will stay below the rest of 1960. Prices during this period are likely to average substantially higher.

CATTLE. Slaughter probably will continue above last year through 1960. But production will continue to exceed slaughter. Numbers are likely to increase again this year, though probably at a slower rate than last year's 4.9 million head.

A moderate decline in fed cattle prices is expected this spring in view of large numbers on feed...8% more than a year ago on April 1 in 21 leading States. If spring pastures continue to develop well, strong demand is likely to hold feeder and stocker prices near current levels.

MILK. Production this summer is likely to run ahead of last year by a larger margin than it has so far this year. In 1959, output showed its largest decline from 1958 in May-September. Through April, production exceeded the same months of 1959 by 1%.

SOYBEANS. Firm prices through summer are in prospect. Demand for export and crushing will be as strong as last year and supplies are slightly less. Since October, beginning of the 1959-60 season, prices to farmers have averaged $2.00, about same as last year and 15¢ above support. Prices after mid-summer will be influenced by prospects for 1960 crop.

FEED. Feed grain was used at a record rate in the first half of the feeding year which began last October 1. For entire 1959-60 season, consumption in U. S. probably will top last year's 137 million tons by about 7 million...exports are likely to at least equal the record 1958-59 total of 13 million tons. Despite increase, disappearance probably will fall about 9 million tons short of production, adding a like amount to the carryover.

WHEAT. Seasonal decline in prices of hard red winter started a little earlier than usual this spring. Prices are likely to reach year's low in late June or early July, then advance seasonally.

Prospects for winter crop have improved this spring and 1960 production is now estimated at 992 million bushels. First estimate of spring crop will be published June 10.

PEACHES. Another big peach crop is being produced in the 9 southern States this year, according to May 1 prospects. The 15½ million bushel total exceeds 1959 by 4%...the 1949-58 average by 58%. Prospects also favor another large crop in California.

POTATOES. Movement of the new crop will pick up rapidly the next few weeks. The late spring crop is expected to exceed last year by 11%. Some bunching of shipments is likely because of delayed planting and development in the southeast.

WOOL. World production and consumption this season are about in balance at levels as high or higher than the peaks of last season. This situation points to fairly stable prices into mid-summer. Similar stability is indicated for prices to U. S. growers.

Wool was consumed in the United States in 1959 at an average rate of 2.4 pounds per person, 25% above 1958. Wool's share of total fiber use also was up.